

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Petition of Guam Cellular and Paging, Inc.,)	
d/b/a Saipancell for designation as an)	
Eligible Telecommunications Carrier)	
in the Commonwealth of Northern)	
Mariana Islands)	

To: The Commission

REPLY COMMENTS

Guam Cellular and Paging, Inc., d/b/a Saipancell ("Saipancell") by counsel and pursuant to the FCC's recent Public Notice,¹ hereby submits the following reply comments in the above-captioned proceeding.

I. A Prompt Grant of Saipancell's Petition Would Serve the Public Interest.

Saipancell has presented prima facie evidence that a grant of its petition to serve the Commonwealth of Northern Mariana Islands ("CNMI") will lead to new infrastructure investments in Saipan. In response to a Commission request, Saipancell went so far as to apply for a new license to serve the Island of Rota, which it was not licensed to serve at the time it filed its above-captioned petition in February of 2002. Saipancell has certified to the Commission that if it is designated, it will construct facilities on Rota – indeed it has been ready, willing and able to do so for months, pending grant of its petition. In addition, Saipancell has committed to invest

¹ *Parties Are Invited To Comment On Supplemented Petitions For Eligible Telecommunications Carrier Designations*, DA 04-998 (released April 12, 2004).

in improving its current infrastructure within the Northern Mariana Islands and to report its investments annually to the Commission.

As Saipancell has previously stated in this proceeding, in order to commit to serve the island of Rota, several cell sites must be constructed in areas that have no electricity. Diesel generators must power the sites around the clock. The cost of transporting traffic from Rota is very high because the Micronesian Telephone Company ("MTC"), a Verizon affiliate, controls the sole undersea cable route. Designating Saipancell as a competitive ETC will enable the company to invest high-cost support funds to provide a high-quality competitive service.

Saipancell has committed in this proceeding use high-cost support to improve its network to permit all (or nearly all) customers in the CNMI to choose handheld cellular service as their *primary* phone. Only then will rural subscribers enjoy the full benefit of choices now available in urban areas. From this, the Commission may conclude that a grant of Saipancell's petition will provide substantial benefits to consumers living within the proposed ETC service area, including consumer choice, advanced services, health and safety benefits, mobility, and economic development.

Saipancell's petition has received support from local and national officials in CNMI, including:

Hon. Diego Benavente, Acting Governor of the CNMI;

Hon. Madeleine A. Bordallo, Member of the U.S. Congress;

Hon. Pedro A. Tenorio, the resident representative to the U.S.;

Hon. Pete P. Reyes, Senate President of the CNMI legislature;

Hon. David M. Cing, CNMI Senator; and

Hon. Francisco M. Borja, Mayor of Tinian and Aguiguan.

Seven business owners in the CNMI also wrote letters to the Commission expressing support for Saipancell's petition.² In sum, there is ample record evidence that Saipancell's petition will bring benefits to the CNMI. In addition, the Commission has ample ability to determine whether Saipancell is complying with its obligations on a continuing basis.

No party opposed Saipancell's petition. Thus, there is nothing in the record demonstrating that consumers in the proposed ETC service area could be harmed by Saipancell's designation. Specifically, no party has alleged that it will reduce its investments if the petition is granted. No party demonstrated that it lacks the ability to reduce expenses or operate more efficiently if Saipancell is designated. Perhaps most important, no party demonstrated how consumers would be harmed if a more efficient provider of services was successful in constructing a high-quality network that provided CNMI consumers with advanced and dependable wireless services.

II. Conclusion.

Saipancell has proposed in this proceeding to expand its existing service area to include the Island of Rota. Its proposed ETC service area would encompass 100% of the area served by MTC, the ILEC serving CNMI. The demonstrable and obvious benefits of Saipancell's commitment to use high-cost support to expand and improve its network must be weighed against the utter lack of evidence in the record demonstrating how consumers could be harmed. In fact, consumers will be well served by a grant of Saipancell's petition.

² See letter in CC Docket No. 96-45 from David A. LaFuria and Steven M. Chernoff to

Accordingly, Saipancell respectfully requests the Commission to grant its petition at the earliest possible date.

Respectfully submitted,

Guam Cellular and Paging, Inc. d/b/a Saipancell

By: /s/
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May 14, 2004

Marlene H. Dortch, Secretary (filed on ECFS Sept. 30, 2003).

CERTIFICATE OF SERVICE

I, Linda J. Evans, a secretary in the law office of Lukas, Nace, Gutierrez & Sachs,
Chartered, hereby certify that I have on this 14th day of May, 2004 caused to be mailed, first
class, postage-prepaid, a copy of the foregoing Reply Comments to the follows:

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*Via Hand Delivery